

THE IMPACT OF ONLINE CUSTOMER REVIEWS AND ONLINE CUSTOMER RATINGS TOWARDS PURCHASING INTENTION THROUGH CONSUMER BRAND PERCEPTION AS AN INTERVENING VARIABLE

Andhy Tri Adriyanto¹, Agus Prasetyo², Sudarmin³

Universitas Semarang^{1,2,3}

E-mail: andhy@usm.ac.id¹, agusprasetyo0608@gmail.com², Sudarmin024@gmail.com³

Abstract: The internet cause modern lifestyle underwent immense growth, even more online media has penetrated to the food business. This study aims to determine the impact of online customer review and online customer rating towards purchasing intention through consumer brand perception as an intervening variable. The population of this study was online food customers in Semarang city with 96 respondents. Data was taken from two sources, namely primary data and secondary data. This study used quantitative method. Sample was taken by using non-probability sampling technique with purposive sampling method. The collected data was analyzed using Structural Equation Modeling (SEM) with SmartPLS version 3.2 software. This study obtained several findings. First, online customer review and online customer rating had a significant effect on consumer brand perception. Second, online customer review, online customer rating and consumer brand perception had a significant effect on purchasing intention. The mediation test showed that consumer brand perception variables can mediate between the effects of online customer reviews and online customer ratings on purchasing intention.

Keywords: *online customer review, online customer rating, brand perception, purchasing intention*

Submitted: 2023-02-11; Revised: 2023-06-09; Accepted: 2023-06-16

1. Introduction

The current phenomenon shows that consumer buying interest has increased in shopping online, especially e-commerce which was aggressively promoting its services. Indonesia is one of the countries with the largest users of food delivery application services in Asia and even in the world, namely 74.4% which was the highest percentage in the world (katadata.co.id, 2021). Purchase intention is defined as a person's tendency of being attracted to an item or service which is the beginning of a purchasing decision. To encourage a person has an interest in buying, it can be done in various ways, either by finding out the product by himself or obtaining information from community directly (Dama, 2016).

Brand perception is one of several factors that determine a person's interest to purchase a product, therefore a good brand can provide a superiority which leads to consumer attitudes that can bring profit and sales performance for company (Suryani, 2013:75). Several factors that can impact customers' interest in online purchase was based on the behavior of modern

consumers who tended to look at reviews and ratings on online food delivery partner applications. The study results from Ichsan et al., (2018) showed that online customer reviews had a positive and significant impact on purchasing intention. However, according to (Prabowo, et al., 2021), online customer reviews did not have a significant positive effect on purchasing intention. Consumers considered that positive or negative reviews in certain product did not affect consumer purchasing interest (Syah and Indriani, 2020). Furthermore, the results of Adriyanto's research (2023) showed that Consumer Brand Perception was able to mediate the relationship between online customer reviews and purchasing intentions, but these results still required further research towards online customer rating variables.

Based on this phenomena and research gaps, researcher conducted a study with a title of "The Impact of Online Customer Reviews and Online Customer Ratings Towards Purchasing Intention through Consumer Brand Perception as an Intervening Variable".

2. Research Method

This study was an Explanatory Research. The population of this study was online food delivery consumers in Semarang city with 96 respondents. This study used non-probability sampling with purposive sampling method, namely the technique of determining the sample based on certain criteria. The criteria in this study were online food delivery consumers, at least 18 years old domiciled in the city of Semarang. Data was collected using primary data and secondary data, then it was analyzed using SmartPLS ver 3.2 software, while the empirical framework as follows:

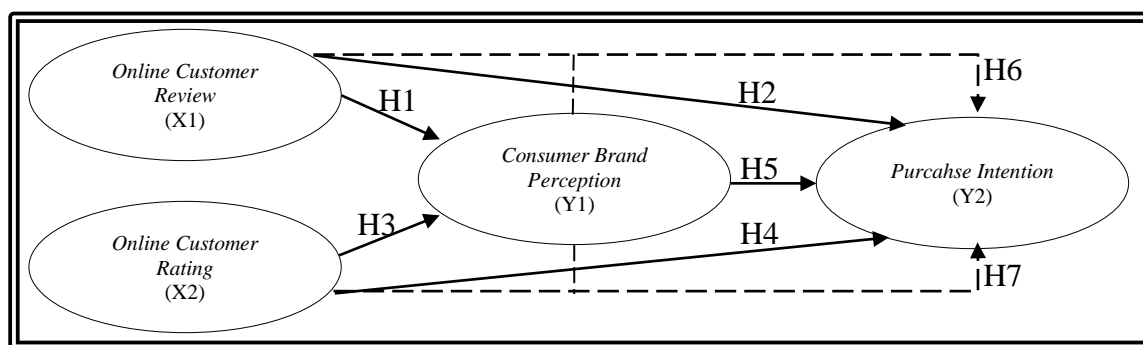


Figure 2.1 Empirical Research Framework

3. Results and Discussion

3.1. Results

Data analysis was carried out to test the validity of each indicator and the reliability of the construct. The validity was measured by convergent validity, while construct reliability was measured by composite reliability.

a. Validity Test

Validity test was used to measure the validity of a questionnaire. It can be said that a questionnaire was valid if it can reveal something that would be measured by the questionnaire. This test was carried out using convergent validity in PLS. The convergent validity value of each indicator can be seen from the loading value. An individual indicator was considered valid if the loading value was above 0.70. However, in the development stage research, a loading factor of 0.50 to 0.60 was acceptable (Ghozali, 2015).

Table 3 1 Results of Cross Loading

	<i>Consumer Brand Perception</i>	<i>Online Customer Rating</i>	<i>Online Customer Review</i>	<i>Purchasing Intention</i>
X1.1			0,786	
X1.2			0,845	
X1.3			0,862	
X1.4			0,773	
X2.1		0,747		
X2.2		0,921		
X2.3		0,911		
X2.4		0,819		
Y1.1	0,859			
Y1.2	0,888			
Y1.3	0,880			
Y2.1				0,817
Y2.2				0,739
Y2.3				0,873

Source: Data processing with PLS, 2023

Table 3.1 shows that these conditions had been fulfilled so that all constructs in the estimated model met a good discriminant validity criterion, which means that the results of data analysis can be accepted because the values that described the relationship between constructs was developed. The discriminant validity also can be determined with the Square Root of Average Variance Extracted (AVE). The recommended value was above 0.5. The AVE values was described in this study:

Table 3 2 Average Variance Extracted (AVE)

Variable	Average variance extracted (AVE)	√AVE
<i>Consumer Brand Perception</i>	0,767	0,875
<i>Online Customer Rating</i>	0,727	0,852
<i>Online Customer Review</i>	0,668	0,817
<i>Purchasing Intention</i>	0,659	0,811

Source: Data processing with PLS, 2023

Table 3.2 shows that the $\sqrt{\text{AVE}}$ value is above 0.5 for all constructs in the research model, so it can be concluded that all indicators in this study were valid.

b. Reability test

The reliability test was carried out by considering the composite reliability value of the indicator block that measured the construct. Composite reliability results showed a satisfactory value if it was above 0.7. The following is the composite reliability value in the output:

Tabel 3 3 Composite Reliability

Variable	Composite Reliability
<i>Consumer Brand Perception</i>	0,908
<i>Online Customer Rating</i>	0,914

<i>Online Customer Review</i>	0,889
<i>Purchasing Intention</i>	0,852

Source: Data processing with PLS, 2023

Table 3.3 shows the results of the composite reliability of each construct is above 0.7. According to Chin (1998), the indicator have a good reliability if the value was above 0.70 and can be maintained and accepted at a value of 0.50 to 0.60. This study results showed that the values for all variables have a composite reliability value of > 0.5, which means have a good reliability value and can be used for further research processes. It can be said reliable if the indicators that used in research were in accordance with the real conditions of the research object.

c. Inner Model Test

After the estimated model fulfilled the Outer Model criteria, then the structural model (Inner model) was evaluated. The following is the Adjusted R-Square value in the construct:

Table 3 4 Adjusted R-Square

Variable	Adjusted R-square
<i>Consumer Brand Perception</i>	0,509
<i>Purchasing Intention</i>	0,746

Source: Data processing with PLS, 2023

Table 3.4 shows that the value of the first Adjusted R-square in the construct variable Consumer Brand Perception (Y1) is 50.9%. This means that the Online Customer Review and Online Customer Rating variables can explain the construct of the Consumer Brand Perception variable of 50.9%, while the remaining 49.1% was explained by other variables. Second, the Adjusted R-square construct variable Purchasing Intention (Y2) is 74.6%. This means that the construct variables Online Customer Review, Online Customer Rating and Consumer Brand Perception were able to explain the construct variable Purchasing Intention (Y2) of 72.3%, while the remaining 25.4% was explained by other variables.

d. Hypothesis testing

Table 3 5 Hyppothesis

	Original Sample (O)	Mean Sample (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
<i>Consumer Brand Perception - > Purchasing Intention</i>	0,625	0,627	0,086	7,262	0,000
<i>Online Customer Rating -> Consumer Brand Perception</i>	0,182	0,180	0,087	2,939	0,018
<i>Online Customer Rating -> Purchasing Intention</i>	0,109	0,099	0,077	2,412	0,039
<i>Online Customer Review -> Consumer Brand Perception</i>	0,712	0,709	0,060	11,896	0,000
<i>Online Customer Review -> Purchasing Intention</i>	0,283	0,281	0,089	3,173	0,002

Source: Data processing with PLS, 2023

Data processing results can be seen in each hypothesis that has been proposed, namely:

1. The Impact of Online Customer Reviews Towards Consumer Brand Perception

Based on the results of the PLS test in table 3.5 on the first hypothesis, namely the impact of Online Customer Review (X1) towards Consumer Brand Perception (Y1), it can be perceived that the original sample estimate result was 0.712, t count value (11.896) > t table (2.00) and P value was 0.000 < 0.05. It shows that Online Customer Reviews have a significant positive effect on Consumer Brand Perception, which means that if the Online Customer Reviews was good, the Consumer Brand Perception would increase.

2. The Impact of Online Customer Review towards Purchasing Intention

Based on the results of the PLS test in table 3.5 on the second hypothesis, namely the impact of Online Customer Review (X1) towards Purchasing Intention (Y2), it can be perceived that the original sample estimate result was 0.283, the calculated t value (3.173) > t table (2.00) and the value P value was 0.002 < 0.05. It shows that Online Customer Review has a significant effect on Purchasing Intention, which means that if the Online Customer Review was good, the Purchasing Intention would increase.

3. The impact of Online Customer Rating towards Consumer Brand Perception

Based on the results of the PLS test in table 3.5 on the third hypothesis, namely the impact of Online Customer Rating (X2) towards Consumer Brand Perception (Y1), it can be perceived that the original sample estimate result was 0.182, t count value (2.939) > t table (2.00) and P value was 0.018 < 0.05. It shows that Online Customer Rating has a significant positive effect on Consumer Brand Perception, which means that if the Online Customer Rating was good, the Consumer Brand Perception would increase.

4. The impact of Online Customer Rating towards Purchasing Intention

Based on the results of the PLS test in table 3.5 on the fourth hypothesis, namely the influence of Online Customer Rating (X2) on Purchasing Intention (Y2), it can be perceived that the original sample estimate result was 0.109, the calculated t value (2.412) > t table (2.00) and the value P value was 0.039 < 0.05. It shows that Online Customer Rating has a significant effect on Purchasing Intention, which means that if the Online Customer Rating was good, the Purchasing Intention would increase.

5. The Impact of Consumer Brand Perception towards Purchasing Intention

Based on the results of the PLS test in table 3.5 on the fifth hypothesis, namely Consumer Brand Perception (Y1) towards Purchasing Intention (Y2), It can be perceived that the original sample estimate result was 0.625, the t count (7.262) > t table (2.00) and the p value was 0.000 < 0.05. It shows a significant and positive influence between the Consumer Brand Perception variable and Purchasing Intention, which means that if the Consumer Brand Perception was good, the Purchasing Intention would increase.

Table 3 6 Direct and Indirect Impacts

Original Sample (O)	Mean Sample (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	
Online Customer Rating -> Consumer Brand Perception -> Purchasing Intention	0,251	0,231	0,056	2,108	0,004
Online Customer Review -> Consumer Brand Perception -> Purchasing Intention	0,446	0,444	0,065	2,200	0,000

Source: Data processing with PLS, 2023

6. Impact of Online Customer Review towards Purchasing Intention mediated by Consumer Brand Perception.

Based on table 3.6, it can be seen that the indirect impact of the Online Customer Review variable towards Purchasing Intention through Consumer Brand Perception as a mediating variable with an original sample of estimate value of 0.446 t count (2.200) > statistical t value (2.00) and a p value of 0.000 <0.05. It can be concluded that the Consumer Brand Perception variable can mediate the relationship between Online Customer Review variables on Purchasing Intention.

7. Indirect Impact of Online Customer Rating on Purchasing Intention mediated by Consumer Brand Perception.

Based on table 3.6, it can be seen that the indirect impact of the Online Customer Rating variable on Purchasing Intention through Consumer Brand Perception as a mediating variable with an original sample of estimate value of 0.251 t count value (2.108) > statistical t value (2.00) and a p value of 0.004 <0.05. It can be concluded that the Consumer Brand Perception variable can mediate the relationship between the Online Customer Rating variable and Purchasing Intention.

3.2. Discussion

In the first hypothesis, if the online customer review was good, the consumer brand perception of online food delivery consumers in Semarang City would increase. Product reviews by previous consumers can provide sufficient information for potential consumers who will buy products. Consumers were selective in choosing food products, such as food taste, appearance of food and packaging. This review can be used by consumers as a reference to their perceptions towards online food delivery partners. Consumers need a good perception of the brand or product that they will buy, so that online customer reviews are meaningful in building consumer perceptions. The results of this study are in line with previous research which stated that online customer reviews have an effect on consumer brand perception (Auliya et al., 2017; Mo et al., 2015).

In the second hypothesis, if the online customer review was good, the purchasing intention of online food delivery consumers in Semarang City would increase. Online Customer Review was a source of information that consumers used when they have an intention to buy a product. This online customer reviews were easy to access and can influence consumers in buying a food product. Online Customer Reviews were related to consumer buying interest (Purchasing Intention) because consumer review was one of several factors that determine the emergence of buying interest (Purchasing Intention). The results of this study are in line with previous research which stated that online customer reviews had a significant positive effect on purchasing intention (Damayanti, 2019; Hasrul et al., 2021).

In the third hypothesis, if the online customer rating was good, the consumer brand perception of online food delivery consumers in Semarang City would increase. The rating on the online food delivery partner was a signal that provided information to consumers who would buy the product, if the rating on the online food delivery partner was high, this can indicate that sales at the online food delivery partner was good, which means that the taste of food was suitable with consumers. If the food store obtained more 5 stars, it means that the sales rating increased (Lackermair et al., 2013). The results of this study are in line with previous research which stated that online customer ratings had an effect on consumer brand perception (Auliya et al., 2017; Lackermair et al., 2013; Mukhopadhyay & Chung, 2015).

In the fourth hypothesis, if the online customer rating was good, the purchasing intention of online food delivery consumers in Semarang City would increase. Online Customer Rating was used by consumers as an information in buying a product. The rating on online food delivery partners showed the condition of online food delivery. The location of rating which was easy to see becomes a sign for the online food delivery. Online Customer Rating has a relationship with consumer buying interest (Purchasing Intention) because consumers can use it to give feedback to sellers (Ardianti, 2019). The results of this study are in line with previous research which stated that online customer ratings had an effect on purchasing intention (Damayanti, 2019; Hasrul et al., 2021; Ichsan et al., 2018).

In the fifth hypothesis, if the consumer brand perception was good, the purchasing intention of online food delivery consumers in Semarang City would increase. Building a good perception of a brand is a must. Consumer perceptions towards brands greatly influence consumer interest in buying products, both service, fashion and culinary products. This situation was also influenced by the existence of digital technology with the convenience of consumers in finding information related to the product. The information can be provided in the form of feedback between the consumer and the seller. The potential consumers can use the rating and response between the previous consumers and the seller to obtain an overview about the product. The results of this study are in line with previous research which stated that consumer brand perception had a significant positive effect on purchasing intention (Adriyanto et al., 2022; Alatas & Tabrani, 2018).

In the sixth hypothesis, if the Online Customer Review mediated by Consumer Brand Perception, the Purchasing Intention would increase in online food delivery consumers in Semarang City. This shows that one of the factors that determine consumer buying interest (Purchasing Intention) was brand perception. Consumers perceive a brand based on the product reviews from other customers on the online food delivery partner. In the seventh hypothesis, if the online customer rating mediated by consumer brand perception was good, the purchasing intention of online food delivery consumers in Semarang City would increase. One of the factors that determine consumer buying interest (Purchasing Intention) was Online Customer Rating. Feedback from previous consumers to sellers was a source of information for potential consumers, in this case the rating given by consumers can lead to perceptions of brands. Consumer perceptions was based on the rating level from other consumers towards online food delivery partners.

4. Conclusion

Based on the analysis results, the following conclusions can be drawn: First, online customer review and online customer rating had a significant effect on consumer brand perception. Second, online customer review, online customer rating and consumer brand perception had a significant effect on purchasing intention. The results of the influence of the mediation test on consumer brand perception variables can mediate between the effects of online customer reviews and online customer ratings on purchasing intention.

Several limitations to this research need to be acknowledged. First, this research was only covered online food delivery consumers in Semarang city, therefore the results cannot be generalized properly. Second, the respondents provided inconsistency answers, especially in open statements, so they were unable to provide a true picture of the actual conditions. Third, the results of this study obtained an Adjusted R-Square value for Consumer Brand Perception of 50.9%, which was still low, especially the variables that influence Consumer Brand Perception.

These findings provide the following insights for future research: First, it is needed to expand the area of research throughout Central Java. Second, it should be more careful in evaluating the respondents' answers before collecting the questionnaire. Third, it is interesting to develop Consumer Brand Perception by adding customer experience variables.

References

- Adriyanto, A. T., Prasetyo, A., & Wijaya, H. (2022). the Effect of Online Customer Review Towards Purchasing Intention Through Brand Perception As Intervening Variable on Shopee Food Users. *Business and Accounting Research (IJEBAR) Peer Reviewed-International Journal*, 6(3), 1538–1545. <https://jurnal.stie-aas.ac.id/index.php/IJEBAR>
- Alatas, S. L., & Tabrani, M. (2018). Pengaruh celebrity endorser terhadap purchase intention melalui brand credibility. *Jurnal Manajemen Inovasi*, 9(1), 91–105. <http://www.jurnal.unsyiah.ac.id/JInoMan>
- Auliya, Z. F., Rifqi, M., Umam, K., & Prastiwi, S. K. (2017). *Online Customer Review (OTRs) dan Rating Kekuatan baru pada Pemasaran Online di Indonesia*. 89–98.
- Chin, W. W. (1998). The Partial Least Squares Approach to Structural Equation Modeling. *Modern Methods for Business Research*, 295, 336
- Dama, D. (2016). Analisis Faktor-Faktor Yang Mempengaruhi Minat Beli Konsumen Dalam Memilih Laptop Acer Di Toko Lestari Komputer Manado. *Jurnal Berkala Ilmiah Efisiensi*, 16(1), 503–514.
- Damayanti, R. S. (2019). Pengaruh Online Costumer Review and Rating, E-Service Quality dan Price Terhadap Minat Beli pada Online Marketplace (Studi Empiris Pada Mahasiswa Universitas Muhammadiyah Magelang). *Prosiding 2nd Business and Economics Conference In Utilizing of Modern*, 684–693. <http://journal.ummgl.ac.id/index.php/conference/article/download/3559/1731>
- Ghozali I, Latan H. (2015). *Partial Least Square Konsep Teknik dan Aplikasi Menggunakan Program SmartPLS 3.0* (edisi kedua). Semarang: Badan Penerbit Universitas Diponegoro.
- Hasrul, A. F., Suharyati, & Sembiring, R. (2021). *Analisis pengaruh online customer review dan rating terhadap minat beli produk elektronik di tokopedia*. 2(1).
- Ichsan, M., Jumhur, H. M., & Dharmoputra, S. (2018). Effect of Consumer Online Rating and Review to Buying Interst on tokopedia Marketplace Region DKI Jakarta. *E-Proceeding of Management*, 5(2355–9357).
- Lackermair, G., Kailer, D., & Kanmaz, K. (2013). Importance of Online Product Reviews from a Consumer's Perspective. *Advances in Economics and Business*, 1(1), 1–5. <https://doi.org/10.13189/aeb.2013.010101>
- Mo, Z., Li, Y.-F., & Fan, P. (2015). Effect of Online Reviews on Consumer Purchase Behavior. *Journal of Service Science and Management*, 08(03), 419–424. <https://doi.org/10.4236/jssm.2015.83043>
- Mukhopadhyay, S., & Chung, T. S. (2015). Preference instability, consumption and online rating behavior. *International Journal of Research in Marketing*, 33(3), 624–638. <https://doi.org/10.1016/j.ijresmar.2015.11.007>
- Prabowo, Bagus Aji (2021) Pengaruh *online customer review* dan *online customer rating* terhadap minat pembelian dengan kepercayaan sebagai variabel intervening Pada produk *fashion* di tokopedia. Sarjana thesis, Universitas Muria Kudus.
- Suryani, Tatik. (2013). Perilaku Konsumen Di Era Internet: Implikasinya Pada Strategi

Pemasran. Yogyakarta : Graha Ilmu.

Syah, M. A., & Indriani, F. (2020). Analisis Pengaruh Online Customer Review Terhadap Minat Beli Konsumen Pada Produk Kosmetik (Studi Kasus pada Pengguna Famaledaily Indonesia). *Diponegoro Journal of Management*, 9, 1–9.